

Education Cabinet

Kentucky's unemployment rate up slightly in January

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Kentucky's seasonally adjusted unemployment rate rose slightly from 5.4 percent in December 2006 to 5.6 percent in January 2007, as the state added 2,000 jobs in nonfarm employment, according to the Office of Employment and Training, an agency of the Education Cabinet. January 2007's jobless rate was below January 2006's rate of 6 percent.

The U.S. seasonally adjusted jobless rate increased from 4.5 percent in December 2006 to 4.6 percent in January 2007, according to the U.S. Department of Labor.

"The .2 percentage-point increase in January 2007's unemployment rate offsets the .2 percentage-point decrease in December 2006's unemployment rate. Unemployment rates have been below 6 percent in Kentucky for the past 11 consecutive months. Kentucky was one of 36 states that had a lower unemployment rate in January 2007 than in January 2006," said Carlos Cracraft, the department's chief labor market analyst.

Five of the 11 major nonfarm job North American Industry Classification System (NAICS) sectors reported employment increases in January, while five decreased and one stayed the same, according to Cracraft. The increase of 2,000 jobs brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,852,900 last month.

"This January gain of 2,000 jobs followed gains of 4,800 jobs in December 2006 and 2,100 positions in November 2006. Over the

year, Kentucky's nonfarm employment has risen by 11,500 since January 2006. Altogether, 46 states and the District of Columbia recorded over-the-year nonfarm payroll employment increases in January 2007," Cracraft said.

According to the seasonally adjusted employment data, Kentucky's leisure and hospitality sector went up the most of any job category with 2,100 more jobs in January 2007. Since January 2006, the sector's employment has increased by 2,700 positions. The sector includes arts, entertainment, recreation, accommodations and food services and drinking places industries.

"The leisure and hospitality area has shown steady gains with employment increases recorded in five of the past six months. The strongest growth continues to be in the food services and drinking places industries," Cracraft said.

The educational and health services sector rose by 1,300 jobs in January 2007. Since last January, this segment has gained 3,200 jobs. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients, Cracraft said.

The financial activities sector grew by 700 jobs in January 2007. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has added 2,100 jobs over the past 12 months.

Employment in the professional and business services sector rose by 600 in January 2007. This area had 4,100 more employees in January 2007 than in January 2006. The professional and business services sector includes professional, scientific and technical services, and management of companies and administrative and support management, including temporary help agencies.

The information sector rebounded in January with an increase of 400 positions in January 2007. This segment, which includes firms involved in publishing, Internet activities and broadcasting and news syndication, had 500 more jobs in January 2007 than in January 2006.

Employment in the other services sector, which includes such establishments as repair and maintenance places, personal and laundry services, religious organizations, and civic and professional organizations, stayed the same from December 2006 to January 2007. This area had 400 fewer employees in January 2007 than in January 2006.

On the negative side, Kentucky's manufacturing sector recorded 1,200 fewer jobs in January 2007 than in December 2006.

Compared to January 2006, the sector had 2,400 fewer positions in January 2007.

"The January 2007 loss of 1,200 jobs partly offset gains of 1,500 in December and 1,200 in November. January's loss was split evenly between durable and nondurable goods," Cracraft said.

The government sector, which includes public education, fell by 1,000 jobs in January 2007. Since January 2006, this sector has gained 2,400 jobs.

Kentucky's trade, transportation and utilities sector recorded a decrease of 700 jobs in January 2007. This area includes retail and wholesale trade, transportation and utilities businesses, and warehousing, and is the largest sector in Kentucky with 379,600 employees. Since January 2006, the number of jobs in this sector has increased by 600.

The natural resources and mining sector had 100 fewer jobs in January 2007 compared to December 2006. Since January 2006, the segment has risen by 700 jobs.

Kentucky's construction sector lost 100 jobs in January 2007. Since January 2006, employment in this job area has decreased by 2,000 jobs.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for January 2007 was 1,950,236 on a seasonally adjusted basis. This figure is up 11,711 from the 1,938,525 employed in December 2006, and up 48,345 from the 1,901,891 employed in January 2006.

The monthly estimate of the number of unemployed Kentuckians for January 2007 was 115,914, down 5,903 from the 121,817 Kentuckians unemployed in January 2006, but up 5,021 from the 110,893 unemployed in December 2006.

The monthly estimate of the number of Kentuckians in the civilian labor force for January 2007 was 2,066,150. This figure is up 16,732 from the 2,049,418 recorded in December 2006, and up 42,442 from the 2,023,708 recorded for January 2006.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working. Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.